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April 10, 1997

BY MESSENGER

William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

RECEIVED

APR 10 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Re: CC Docket No. 96-45; Ex Parte

Dear Mr. Caton:

The Commonwealth of the Northern Mariana Islands ("Commonwealth") submits this ex parte letter in the above-captioned proceeding to supply additional information with respect to universal service support for health care providers in the Commonwealth. Specifically, this letter addresses the following three points, which were raised by Commission staff during telephone calls with counsel for the Commonwealth on April 7, 1997.

- *What is the ownership status of Micronesian Telecommunications Corporation ("MTC")?*

MTC is a 100% owned subsidiary of GTE Hawaiian Tel, which is, in turn, a 100% owned subsidiary of GTE Service Corporation.¹

- *Does MTC's voice grade channel from the Commonwealth, referenced on 2nd Revised Page 24 of MTC's Private Line Service Tariff (see enclosed), provide a direct link to Hawaii and the mainland United States or is it routed through intermediate points?*

Except as noted in the response to the following question, MTC's voice grade channel from the Commonwealth is a direct satellite link via INTELSAT to Hawaii and mainland points.

¹ See Opposition of the Commonwealth of the Northern Mariana Islands to the Petitions for Reconsideration in CC Dkt No. 96-61, at 7-8 (Oct. 21, 1996).

- *Is there a satellite link from the Commonwealth to Hawaii?*

At the present time, the MTC satellite link provides the only primary voice and data link from the Commonwealth to Hawaii and the mainland United States. MTC currently owns and operates the only multi-purpose earth station in the Commonwealth that is capable of linking to the Pacific region's INTELSAT satellites.² Notwithstanding this, MTC is currently in the final stages of construction of a fiber optic cable link (for which it has obtained Section 214 authorization) between the Commonwealth and Guam, from which calls could be routed (via interconnection with other Pacific cables in Guam) to a variety of domestic and international points.³ Once in operation, this cable is anticipated to become the primary communication link between the Commonwealth and Hawaii, the mainland United States and international points. This cable link is expected to be operational soon.

MTC also operates analog microwave facilities between the Commonwealth and Guam, which can interconnect with other Pacific cables in Guam. This analog microwave system is slow and highly susceptible to interference, degradation and disruption from typhoons. This link is therefore generally only used by MTC as a backup system when access to the satellite voice grade channel is unavailable.

This ex parte letter also includes copies of relevant pages from MTC's Private Line Service Tariff (F.C.C. No. 4, issued November 20, 1996), including the title page, Table of Contents and voice grade channel rate page (2nd Revised Page 24).

² See Comments of the Commonwealth of the Northern Mariana Islands In re Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended; and Regulatory Treatment of LEC Provision of Interexchange Services Originating in the LEC's Local Exchange Area in CC Dkt No. 96-149, at 2 (Aug. 15, 1996).

³ See In re Micronesian Telecommunications Corp., Cable Landing License, 8 FCC Rcd. 748, and In re Micronesian Telecommunications Corp., Memorandum Opinion, Order and Authorization, 8 FCC Rcd. 750 (1993) (granting Sec. 214 authorization to construct interisland cable).

William F. Caton

April 10, 1997

Page 3

Please direct any questions to the undersigned.

Sincerely,

A handwritten signature in cursive script, appearing to read "David H. Schwartz".

Thomas K. Crowe
David H. Schwartz,
Counsel for the Commonwealth of the
Northern Mariana Islands

cc: All Commissioners
Universal Service Joint Board
Elliot Maxwell, FCC
Alex Amato, FCC
John F. Clark, FCC
Regina Keeney, FCC
Mary Beth Richards, FCC
Robert W. Spangler, FCC
Kent R. Nilsson, FCC
Marian Gordon, FCC
Allen Stayman, Department of Interior
Gail L. Polivy, GTE
Del Jenkins, MTC
Dave Ecret

Enclosure

PRIVATE LINE SERVICE

REGULATIONS, SCHEDULES OF CHARGES

APPLYING

TO

PRIVATE LINE SEERVICE

BETWEEN

POINTS WITHIN THE NORTHERN MARIANA ISLANDS

AND

POINTS IN OTHER COUNTRIES OR AREAS

TO WHICH PRIVATE LINE SERVICE

IS AVAILABLE

Service is furnished by means of wire, cable, radio, satellite or a combination thereof.

Issued: November 15, 1982

Effective: November 16, 1982

By: General Manager
Micronesia Telecommunications Corporation
P.O. Box 306

PRIVATE LINE SERVICE

TABLE OF CONTENTS

<u>SUBJECT</u>	<u>PAGE</u>
CHECK LIST.	1
CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS .	3
EXPLANATION OF SYMBOLS.	3
APPLICATION OF TARIFF	4
DEFINITIONS	4
REGULATIONS	
Undertaking of MTC.	5
Use	11
Obligations of the Customer	12
Payment Arrangements.	13
Allowances of Interruptions	16
CLASSES OF CHANNELS	18
RATES	
Monthly Service	23
Temporary Service	24
Individual Case Basis	26

PRIVATE LINE SERVICE

5. RATES (continued)

5.1 Monthly Service (Service 7 days per week, 24 hours per day)
(continued)

5.1.3 Overseas Channels

The following rates apply for channels to the midpoint between the overseas terminal office of MTC in Saipan, Northern Mariana Islands and the overseas terminal of the foreign administration or other company in the city specified.

Per channel to:	<u>Installation Charge</u>	<u>Rate Per Month</u>
Agana, Guam	--	\$440.00
1200 bps	--	700.00
2400 bps	--	1,050.00
4800 bps	--	1,750.00
Voice grade channel		
Hong Kong		
Voice grade channel	--	1,750.00
Honolulu, Hawaii		
Low speed data (110 bps)		
channel	\$100.00	450.00
Voice grade channel	--	1,750.00
Koror, Palau		
Voice grade channel	--	1,750.00
Majuro, Marshall Islands		
Voice grade channel	--	1,750.00
Ponape, Federated States of Micronesia		
Voice grade channel	--	1,750.00
San Francisco, California		
Standard channel	--	605.00
Voice grade channel	--	1,750.00